

STUDENTS AND MEANS TESTED PROGRAMS 101



INTRODUCTION

Today's students in college are more diverse than any previous generation. **One in four** are parents, more than 60 percent participate in the workforce, 34 percent are over the age of 25, and nearly half identify as students of color. The COVID-19 pandemic has exacerbated existing challenges, as many have been unable to meet their basic needs after facing unexpected costs like medical bills, transportation, or moving expenses. According to one survey of nearly approximately 200,000 students, **58 percent** experienced food insecurity, housing insecurity, or homelessness in 2020.

If today's students do not have access to robust supports, their college plans can get derailed easily. Every year, **more than one million** students drop out—**70 percent** do so because of financial insecurity, which is **disproportionately felt** by low-income students. That's where means-tested benefit programs and income supports can help. Means-tested federal and state programs help millions of low-income Americans access housing, food, health care, child care, and more. These programs determine eligibility by comparing income to the federal poverty level (FPL), often along with other factors like number of children in the household.¹

But the myriad of complex programs and eligibility requirements can make it difficult for students to access these benefits. A **2021 report** from the Hope Center found that among students who did not seek out means-tested programs for support, more than 70 percent said they did not think they were eligible for the programs, despite high rates of basic needs insecurity among college students. For students to be successful in the classroom, their basic needs—like having food on the table or a roof over their heads—must be met first. Means-tested programs can assist students, but only if students know about the programs and can access them.

HOUSING

Without a safe, reliable home, students' focus on coursework can be put on hold. In the Hope Center's 2021 **#RealCollege Survey**, almost half of respondents reported being housing insecure and 14 percent reported being homeless. College students may qualify for a housing voucher, but only if they meet certain eligibility criteria. And if they do qualify, waiting lists for vouchers at local housing authorities can be arduous, with an **average wait time** of 2.5 years.

Program	What does it do?	Income Eligibility	General Eligibility Criteria for Students	Potential Benefit to Students	Challenge to Students
Housing Choice Voucher (HCV) program²	Provides vouchers to help eligible persons (often very low-income) pay rent	Varies based on location—typically may not exceed 50% of median income for county/metro area area	Both the student and student's parent must meet local income eligibility, unless: <ol style="list-style-type: none"> 1. veteran, 2. married, 3. with a dependent child, or 4. age 24 or older 	A 2017 survey found 13% of community college students may be homeless; HCV can help provide students with affordable housing.	HUD counts grant aid (beyond tuition & fees) as income for eligibility, and average wait times are over two years

HEALTH

Health insurance can ensure that the costs of medical care do not financially compromise an individual or their family. But for many low-income students, whether they don't have health insurance because their job doesn't offer it or they simply can't afford private health insurance, subsidized programs can provide coverage. **Studies have shown** that students who are independent from their parents, from low-income families, or identify as a racial or ethnic minority are the most likely to be financially burdened by health insurance and health care costs and are also most at risk of dropping out of school. College students can often qualify for Medicaid (dependent on state eligibility criteria) to get subsidized health insurance, and pregnant student parents and new moms can qualify for the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) to cover some health care assistance, but the programs are dependent on state income eligibility thresholds. Similarly, student parents who make too much to qualify for Medicaid themselves may be eligible to enroll their children in Children's Health Insurance Program (CHIP). Research has **found** that states with expanded Medicaid access see improved academic progress among its college students. As of 2018, Medicaid covers **13 percent** of college students, and as of 2019, WIC only reached **3 out of 5** eligible people.



Program	What does it do?	Income Eligibility	General Eligibility Criteria for Students	Potential Benefit to Students	Challenge to Students
Medicaid	Provides health insurance for those with low incomes	Differs by state eligibility range and whether a state has expanded Medicaid ³	Some states have work requirements — enrollment in school may or may not count (dependent on state)	Can connect students to health care, especially important for students more at risk of dropping out and burdened by health insurance costs	States have differing eligibility thresholds, making it difficult for students to navigate ⁴
Children’s Health Insurance Program (CHIP)	Provides health insurance to children at more generous levels than Medicaid ⁵	Differs by state eligibility ⁶	1) Under 19 years of age, 2) Uninsured, ⁷ 3) A citizen or meet immigration requirements, & 4) Within state’s CHIP income range	Nearly 4M of students today are parents, and if they do not qualify for Medicaid coverage, their children may qualify for health coverage under CHIP	Many student parents don’t know that their kids may be eligible for CHIP
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Provides state grants for food & health assistance to low-income pregnant and postpartum women	1) Must be between 100-185% FPL, or 2) Already eligible for TANF, Medicaid, or SNAP	Must be: 1) Pregnant (& up to 6 weeks after pregnancy), or 2) Postpartum (up to 6 months after pregnancy), or 3) Breastfeeding (up to infant’s 1st birthday)	Single mothers make up 22 percent of all undergraduates, yet WIC only reaches 3 out of 5 of all eligible mothers.	Many student parents don’t know they’re eligible for WIC benefits
Affordable Care Act Subsidized Coverage	Provides financial assistance to reduce out-of-pocket costs for individuals with moderate & low incomes who are not eligible for Medicaid or coverage through an employer	1) Must have a household income 1 to 4 times the FPL, 2) Must not be able to access coverage through an employer, 3) Must not be eligible for Medicaid or CHIP, & 4) Must be a U.S. Citizen or show proof of legal residency	Enrollment in college’s student health plan typically counts as sufficient coverage	Provides working students with subsidies up to 400 percent of FPL, ensuring students don’t have to decide between work and health coverage	Administered by states and/or the federal government, providing different enrollment & benefit experiences depending on where a student lives

FOOD

Food insecurity is associated with increased chronic illnesses and mental health challenges. For college students, this is **all too familiar**, given that 38 percent of community college students and 29 percent of students at four-year institutions experienced food insecurity in 2020. Programs like Supplemental Nutrition Assistance Program (SNAP) and WIC can provide households with food assistance in the form of food packages and Electronic Benefit Transfer (EBT) cards. And yet, college students struggle to connect with these programs—a **2019 GAO report** found that almost 60 percent of college students who are food insecure and likely eligible for SNAP are not enrolled in the program.⁸

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Supplemental Nutrition Assistance Program (SNAP) ⁹	Food assistance for low-income households	1) Gross monthly income at or below 130% FPL, & 2) Assets must be below \$2,250 ¹⁰	College students are eligible if they are: 1) under 18 or older than 50; 2) working for pay at least 20 hours/week; 3) receiving Work-Study; 4) caring for child under 6; 5) a single parent caring for a child aged 6-11, enrolled full-time, or unable to obtain child care; 6) receiving TANF benefits; 7) unable to work due to a disability; or 8) enrolled in certain programs aimed at employment ¹¹	College students, particularly community college students, are among a highly food insecure population—SNAP can help fill in the gap	Common misconception that students are not eligible for SNAP; a 2019 GAO report found only 43% of students likely to be eligible had actually received SNAP
Special Supplemental Nutrition Program for Women, Infants, and Children (WIC)	Provides state grants for food & health assistance to low-income pregnant and postpartum people	1) Must be between 100-185% FPL or 2) Already eligible for TANF, Medicaid, or SNAP	Must be 1) Pregnant (during pregnancy & up to 6 weeks after pregnancy) 2) Postpartum (up to 6 months after pregnancy) 3) Breastfeeding (up to the infant's 1st birthday)	Single mothers make up 11 percent of all undergraduates, yet WIC only reaches 3 out of 5 of all eligible	Many student parents don't know they're eligible for WIC benefits

INCOME SECURITY

There are a variety of benefit programs that assist households with general economic security, providing cash benefits to out-of-work and low-income families and individuals. Several tax credits are meant to directly assist families, and may have a major impact particularly on student parents if they qualify for and access the benefits, such as the Child and Dependent Care Tax Credit, Earned Income Tax Credit, and Child Tax Credit. Other benefit programs, like Temporary Aid for Needy Families (TANF) and Unemployment Insurance (UI), are often more difficult for college students to access because they must have sufficient work history to qualify or must satisfy work requirements, which sometimes only allow school enrollment to satisfy as work requirements for a short period of time.¹²

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60%

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1/4

of college students are student parents



and the average cost of child care for a 4-year-old exceeds the average cost of in-state tuition at a 4-year university in 25 states; CDCTC can help



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Unemployment Insurance (UI) ¹³	State programs provide up to 26 weeks of benefits to unemployed workers, replacing about half of previous wages on average	Work & wage history required, varies based on state formulas	1) Unemployed through no fault of student, 2) Meets work and wage history requirements, ¹⁴ 3) Able & available to work	More than 60% of students participate in the workforce; UI can help them stay in school during job loss, if they qualify (which is rare) ¹⁵	Full-time students are often viewed as “unavailable” for work or have insufficient wage history, so often do not qualify Pandemic Unemployment Assistance (PUA) temporarily expanded UI to students
Temporary Aid for Needy Families (TANF)	Provides states with block grants for broad programs like cash benefits, child care, education/training, transportation, or aid to children	Income thresholds vary by state ¹⁶	Must have: 1) Very low incomes or unemployed (thresholds vary by state), 2) Dependent children or be pregnant, and 3) Must demonstrate work or work-related activities ¹⁷	Low-income students can access cash assistance through TANF if they meet requirements	Many TANF programs don’t allow education or training programs to count for work requirements past 12 months of school; TANF benefits have not kept pace with inflation, lessening impact
Earned Income Tax Credit (EITC)	Refundable tax credit for low and moderate income working individuals & families	1) Income requirement for single filer with 2 children : above \$14,570 & below \$46,730 ¹⁸ 2) Income requirement for single filer, no children : above \$6,920 & below \$21,427 ¹⁹ (see footnote for joint filers)	Credit amount based on income and number of children ²⁰	Research shows recipients use credit on basics like housing and food, but also to obtain education/training	The credit is particularly low for childless adults. ²¹ Awareness of eligibility is an issue.
Child and Dependent Care Tax Credit (CDCTC)	Temporarily refundable tax credit that helps cover care expenses families pay in order to work. ²²	Families can get a credit for between 20–35% of their caregiving costs , based on income level	1) Must file taxes, 2) Must have earned income, and 3) Must have incurred employment-related expenses for the care of a qualifying person ²³ 4) Must attend school full-time (if a student)	A quarter of students are parents and the average cost of child care for a 4-year-old exceeds the average cost of in-state tuition at a 4-year university in 25 states; CDCTC can help	Counts full-time enrollment for 5 months of a year as employment, but only 1/3 of caregivers are enrolled full-time 66% of student caregivers attending part-time can’t claim CDCTC
Child Tax Credit (CTC)	Refundable tax credit for families to help with cost of kids	1) Income for single filer : below \$240,000 (full credit at \$75K and below) 2) Income for joint filer : Income below \$440,000 (full credit at \$150K and below) ²⁴	Child’s age eligibility: 1) Ages 5 & under: up to \$3,600 2) Ages 6-17: up to \$3,000 3) Age 18: up to \$500 4) Ages 19-24 (if full-time students): \$500	Student parents make up ¼ of college students—claiming CTC can help student parents afford their education while supporting their family	The CTC was temporarily expanded in 2021 Navigating CTC changes may be a challenge for student parents

ENDNOTES

¹ The 2021 FPL for an individual is \$12,880. For a family of four, it is \$26,500.

² Also known as “Section 8 Housing Vouchers”

³ Ranges by state for an individual from 215% of the FPL to 0% FPL; or for a family of 3, 221% FPL to 17% FPL. The 2021 FPL for an individual is \$12,880. In states with Medicaid expansion, eligibility is at least 138% FPL (~\$20K) for an individual.

⁴ For example, if a student lives in one state permanently but attends school in another, the Medicaid thresholds can differ.

⁵ Note that CHIP is essentially “Medicaid for children” in that it provides health insurance coverage to kids in families whose incomes are just barely too high to qualify the family for regular Medicaid. This means a student parent may not qualify for Medicaid but their children could qualify for coverage under CHIP

⁶ Eligibility levels range in states from as low as 170% FPL up to 400% FPL. In most states, children up to age 19 with family income up to \$50,000 per year (for a family of four) may qualify.

⁷ Determined ineligible for Medicaid and not covered through a group health plan or creditable health insurance

⁸ Several COVID-19 relief packages have made temporary changes to SNAP. The Consolidated Appropriations Act in December 2020 **expanded SNAP eligibility** to include college students who are a) eligible to participate in state or federally financed work study during the regular academic year, or b) have an expected family contribution (EFC) of 0 in the current academic year, including students who are eligible for a maximum Pell Grant.

The Families First Coronavirus Response Act of March 2020 (Families First) made temporary changes to SNAP, many of which have also since been extended. The Consolidated Appropriations Act in December 2020 included a 15 percent increase in SNAP’s maximum benefit for January through June 2021, and the American Rescue Plan Act, enacted in March 2021, extended that increase through September 2021, amounting to **nearly \$28 more in benefits per person per month**, or just over \$100 per month in food assistance for a family of four. Recently, the Biden administration announced permanent changes to the SNAP program beginning on October 1, 2021, which will **increase the benefits** by \$34 per week, per family, with the average benefit rising 27 percent from pre-pandemic levels. The USDA has also made the program administration for SNAP and WIC **more flexible** during the pandemic by extending certification periods, adjusting reporting requirements, and waiving the interview requirements.

⁹ Formerly known as “food stamps”

¹⁰ Unless household includes an elderly or disabled member, then assets must be below \$3,500

¹¹ Including federal training programs a part of the Workforce Innovation and Opportunity Act (WIOA), Trade Adjustment Assistance (TAA), SNAP Employment and Training (SNAP E&T).

¹² *Note:* Recent COVID-19 relief legislation has temporarily expanded several programs. The American Rescue Plan Act expanded the Child Tax Credit, the Child and Dependent Care Tax Credit, and the Earned Income Tax Credit. Figures and ranges in the chart represent those expansions, but they are temporary and could revert to a lower amount/refundability level if changes are not made permanent. They are current as of October 2021.

¹³ Note that UI is technically not a means-tested program but rather a social insurance program, given that workers pay taxes into the program through paychecks. However, it is an important program that impacts student workers’ income security.

¹⁴ Work history and wage requirements vary by state

¹⁵ Note that during COVID, Congress established the Pandemic Unemployment Assistance (PUA) program, targeted towards non-traditional workers who don’t typically qualify for regular unemployment. While college students often did qualify for PUA, it was not extended in September 2021 and no longer exists.

¹⁶ In all but eight states, a family of three with earnings at 75% FPL could not qualify for TANF

¹⁷ States control whether attending school can count as a work-related activity.

¹⁸ \$14,570 and \$52,493 respectively for joint filers

¹⁹ \$6,920 and \$27,367 respectively for joint filers

Note: the upper range of childless EITC credit amounts was temporarily expanded by the 2021 American Rescue Plan Act. The upper limits here represent the figure for 2021 that was updated by the ARP, but could change in the future if it’s not made permanent.

²⁰ The American Rescue Plan Act temporarily increased the amounts of the credit for childless adults from roughly \$540 to roughly \$1,500.

²¹ American Rescue Plan Act temporarily expanded credit amount for 2021, figure in chart represents that expansion.

²² Note that the American Rescue Plan Act made the CDCTC temporarily refundable, it could revert back to nonrefundable if not made permanent.

²³ Defined as a dependent under 13, a person or spouse unable to care for themselves.

²⁴ NOTE: credit amounts and CTC changes were temporarily expanded by the 2021 American Rescue Plan Act. Numbers reported here are for 2021 as updated by the ARP, but could change in the future if not made permanent.